

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE REQUEST OF SALT RIVER	)	
RURAL ELECTRIC COOPERATIVE	)	
CORPORATION FOR A DEVIATION	)	CASE NO. 8529
FROM 807 KAR 5:006, SECTION	)	
9(5)	)	

O R D E R

Salt River Rural Electric Cooperative Corporation ("Salt River") filed its request, by letter received May 12, 1982, for a deviation from the requirements of regulation 807 KAR 5:006, Section 9, paragraph (5), which states, "...if meters are found upon test to register fast and if time for periodic test has overrun to the extent that one-half ( $\frac{1}{2}$ ) of the time elapsed since the last previous test exceeds twelve (12) months, the refund shall be for the twelve (12) months as specified in subsection (2) of this section and in addition thereto, a like refund for those months exceeding the periodic test period; provided, however, that the commission may relieve the utility from this requirement in any particular case in which it is shown that the failure to make the periodic test was due to causes beyond the utility's control." This request for a deviation from rules was made under the provisions of 807 KAR 5:006, Section 24, which states, "In special cases, for good cause shown, the Commission may permit deviations from these rules." Salt River requested

that refunds for fast meters be limited to 12 months except:

(a) in those instances where the periodic test period has been exceeded and then refunds shall be made for those months exceeding the test period only if the meter was serving the same consumer at the same location for the entire refund time period; (b) when a refund is made for the time in which the periodic test period was exceeded under (a) above, the rate to be used shall be the average rate per KWH for that classification for the year(s) in question; and (c) when a refund is made for the time in which the periodic test period was exceeded under (a) above, the monthly KWH usage to be used in the calculation of said refund shall be the average monthly KWH usage for the previous 12 months.

The Commission requested additional information which was received on June 3, 1982. Salt River maintains that to follow the rules in paragraph (5) of the above regulation creates an undue hardship on the cooperative, is not economically feasible because the records must be reviewed individually by hand, and results in a high administrative cost.

During 1981 a total of 2,349 meters were tested which had exceeded the 8-year period as required by Commission regulations. Of this total 61 or approximately 2.6 percent of the meters tested was over 2 percent fast. There remain an estimated 1,200 meters which have exceeded the 8-year period. Therefore,  $1,200 \times 2.6 \text{ percent} = 31$  meters that will likely require refunds that entail calculations for a period beyond the 12 months. The

estimated average refund per customer will be \$84.59 and the estimated administrative cost to make this refund according to the regulations will be \$69.45 per refund as opposed to the estimated administrative cost to make this refund under the proposed method of \$11.50 per refund.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

The request by Salt River for relief under the provisions of 807 KAR 5:006, Section 24, should be approved since the Commission recognizes the difficulty and cost of manually researching files and archives for old rate schedules, meter readings, and addresses of customers who may have been using the meter in previous years.

IT IS THEREFORE ORDERED that the request by Salt River for a deviation from the requirements of 807 KAR 5:006, Section 9, Paragraph (5), under the provisions of 807 KAR 5:006, Section 24, be approved and that all refunds to customers for fast meters be limited to 12 months except in those instances where the periodic test period has been exceeded, in which case refunds shall be made for those months exceeding the test period only if the meter was serving the same customer at the same location for the entire refund time period, and the rate schedule to be used shall be the average rate for that classification for the year(s) in question, and the monthly KWH usage shall be the average monthly KWH usage for the previous 12 months.

IT IS FURTHER ORDERED that the provisions of this Order shall remain in effect for a period of 2 years from the date it is issued.

Done at Frankfort, Kentucky, this 21st day of June, 1982.

PUBLIC SERVICE COMMISSION

*Marlin M. Voh*  
Chairman

*Katharine Sandall*  
Vice Chairman

*Ann Carrigan*  
Commissioner

ATTEST:

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Secretary